



Provider Inquiry Assistance

Present on Admission (POA) Indicator Payment Implications – JA0841

Related CR Release Date : N/A

Date Job Aid Revised: December 3, 2008

Effective Date: N/A

Implementation Date: N/A

Key Words SE0841, POA, Admission, Payment, MM5499, MM6086

Contractors Affected

- Fiscal Intermediaries (FIs)
- Part A/B Medicare Administrative Contractors (A/B MACs)

Provider Types Affected Hospitals that submit claims to FIs or A/B MACs for Medicare beneficiary inpatient services



- Special Edition (SE) article SE0841 is not intended to replace any guidelines in the main body of the *International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) Official Guidelines for Coding and Reporting*.
- It is very important that hospitals properly report the POA Indicator for all claims involving inpatient admissions to general acute care hospitals. To group claims into the proper Medicare Severity Diagnosis Related Group and pay claims appropriately based on the Hospital Acquired Conditions (HAC) regulations, the Centers for Medicare & Medicaid Services (CMS) must capture the POA Indicator for all claims involving inpatient admissions to general acute care hospitals.
- Providers should use the *UB-04 Data Specifications Manual* and the *ICD-9-CM Official Guidelines for Coding and Reporting* to facilitate the assignment of the POA Indicator for each "principal" diagnosis and "other" diagnosis code reported on claim forms UB-04 and 837 Institutional.

Provider Needs to Know...

- As stated in the introduction to the *ICD-9-CM Official Guidelines for Coding and Reporting*, a joint effort between the healthcare provider and the coder is essential to achieve complete and accurate documentation, code assignment, and reporting of diagnosis and procedure codes.

- The importance of consistent, complete documentation in the medical record cannot be overemphasized
- The provider, a provider’s billing office, third party billing agents, and anyone else involved in the transmission of this data should insure that any resequencing of diagnosis codes prior to transmission to CMS also includes a resequencing of the POA Indicators.
- The table below outlines the payment implications for each of the different POA Indicator reporting options.

CMS POA Indicator Options and Definitions

Code	Reason for Code
Y	<p>Diagnosis was present at time of inpatient admission.</p> <p><i>CMS will pay the complicating condition/major complicating condition (CC/MCC) DRG for those selected HACs that are coded as "Y" for the POA indicator.</i></p>
N	<p>Diagnosis was not present at time of inpatient admission.</p> <p><i>CMS will not pay the CC/MCC DRG for those selected HACs that are coded as "N" for the POA Indicator.</i></p>
U	<p>Documentation insufficient to determine if the condition was present at the time of inpatient admission.</p> <p><i>CMS will not pay the CC/MCC DRG for those selected HACs that are coded as "U" for the POA Indicator.</i></p>
W	<p>Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.</p> <p><i>CMS will pay the CC/MCC DRG for those selected HACs that are coded as "W" for the POA Indicator.</i></p>
1	<p>Unreported/Not used. Exempt from POA reporting. This code is equivalent to a blank on the UB-04, however; it was determined that blanks are undesirable when submitting this data via the 4010A.</p> <p><i>CMS will not pay the CC/MCC DRG for those selected HACs that are coded as "1" for the POA Indicator. The "1" POA Indicator should not be applied to any codes on the HAC list. These claims will be returned to the provider for correction.</i></p> <p><i>For a complete list of codes on the POA exempt list, providers should see page 110 of the Official Coding Guidelines for ICD-9-CM at http://www.cdc.gov/nchs/datawh/ftp/ftpicd9/icdguide08.pdf on the internet.</i></p>

Background

- The POA Indicator guidelines are not intended to provide guidance on when a condition should be coded, but rather to provide guidance on how to apply the POA Indicator to the final set of diagnosis codes that have been assigned in accordance with Sections I, II, and III of the official coding guidelines.
- Subsequent to the assignment of the ICD-9-CM codes, the POA Indicator should be assigned to all diagnoses that have been coded.
- **Critical access hospitals, Maryland waiver hospitals, long-term care hospitals, inpatient rehabilitation facilities, inpatient psychiatric facilities, cancer hospitals, and children's inpatient facilities are exempt from this requirement.**

Operational
Impact

N/A

Reference
Materials

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0841.pdf> on the CMS website.

Information regarding the UB-04 Data Specifications may be found at <http://www.nubc.org/become.html> on the Internet.

Information regarding the ICD-9-CM guidelines is available at http://www.cms.hhs.gov/ICD9ProviderDiagnosticCodes/01_overview.asp on the CMS website.

Providers may find further information concerning HACs and POAs at <http://www.cms.hhs.gov/HospitalAcqCond/> on the CMS website.

Providers may also want to review the following related MLN Matters articles:

- MM5499: "Present On Admission (POA) Indicator" at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5499.pdf>; and
- MM6086: "Hospitals Exempt from Present on Admission (POA) Reporting (i.e. non-Inpatient Prospective Payment System (IPPS) Hospitals) and the Grouper" at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6086.pdf> on the CMS website.